



General Assembly

January Session, 2009

Raised Bill No. 5669

LCO No. 2393

02393_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM
PAYMENTS FOR TERMINATED EMPLOYEES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2009*) (a) In the event (1) an
2 employer, as defined in section 31-58 of the general statutes, terminates
3 an employee for any reason other than layoff, or (2) an employee
4 voluntarily terminates employment with an employer, such employer
5 may elect not to pay the premium for such employee under a group
6 health insurance policy after the date of such employee's termination.
7 In the event such employer makes such election, any insurer, health
8 care center, hospital or medical service corporation or fraternal benefit
9 society that issues such group health insurance policy shall credit such
10 employer the amount of any premium paid by such employer with
11 respect to such policy for such employee attributable to the period
12 after the date of such employee's termination, provided the employer
13 notifies the insurer and the terminated employee not later than
14 seventy-two hours after the termination. Upon the issuance or renewal
15 of such policy, such insurer, health care center, hospital or medical
16 service corporation or fraternal benefit society shall provide such

17 employer with relevant information related to such employer's
 18 election, including the employer's responsibility to remit to the
 19 terminated employee such employee's portion of the credited
 20 premium. Any such credit shall be applied upon the subsequent
 21 renewal of such policy if such employer requests such credit prior to
 22 the policy renewal date. In the event of nonrenewal of such policy, the
 23 insurer, health care center, hospital or medical service corporation or
 24 fraternal benefit society shall refund such credit to the employer.

25 (b) Notwithstanding the provisions of subsection (a) of this section,
 26 (1) any contractual agreement entered into through collective
 27 bargaining that requires the employer to pay the premium for an
 28 employee under a group health insurance policy after the date of such
 29 employee's termination shall supersede the provisions of subsection (a)
 30 of this section, and (2) no credit shall be available to an employer for
 31 any employee's coverage if such employee or any of the employee's
 32 covered dependents received health care services during the period for
 33 which the credit is requested.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2009</i> | New section |

Statement of Purpose:

To provide that employers may elect not to be responsible for the payment of the premium for group health insurance plans for employees who are terminated or who voluntarily terminate their employment, after the date of such employees' termination.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]